# **SENATE BILL No. 204**

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-13.5; IC 27-13; IC 27-17.

**Synopsis:** Health coverage options. Allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to provide a policy or contract without complying with all health benefit mandates. Authorizes health benefit purchasing cooperatives. Requires insurers and health maintenance organizations to report specified information concerning the policies and contracts to the department of insurance. Requires the department to report to the legislative council.

Effective: July 1, 2006.

## Drozda

January 9, 2006,  $\,$  read first time and referred to Committee on Health and Provider Services.





#### Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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## **SENATE BILL No. 204**

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

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1	SECTION 1. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE
2	AS A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3	JULY 1, 2006]:

### Chapter 13.5. Health Benefit Mandate Option

Sec. 1. As used in this chapter, "health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, a policy of accident and sickness insurance, to the extent that the coverage is not required under federal law:

- (1) Newborn coverage under IC 27-8-5.6.
- (2) Breast cancer screening related coverage under IC 27-8-14.
- (3) Morbid obesity related coverage under IC 27-8-14.1.
- (4) Pervasive developmental disability related coverage under IC 27-8-14.2.
  - (5) Diabetes related coverage under IC 27-8-14.5.
- 17 (6) Prostate cancer screening related coverage under



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1	IC 27-8-14.7.	
2	(7) Colorectal cancer screening related coverage under	
3	IC 27-8-14.8.	
4	(8) Off label drug treatment coverage under IC 27-8-20.	
5	(9) Minimum maternity related benefits under IC 27-8-24.	
6	(10) Inherited metabolic disease related coverage under	
7	IC 27-8-24.1.	
8	(11) Mastectomy related coverage under IC 27-8-5-26.	
9	(12) Mental illness related coverage under IC 27-8-5-15.6.	
10	(13) Dental anesthesia related coverage under IC 27-8-5-27.	4
11	(14) Adopted child coverage under IC 27-8-5-21.	
12	Sec. 2. As used in this chapter, "insurer" refers to an insurer (as	
13	defined in IC 27-1-2-3(x)) that issues or delivers a policy of	
14	accident and sickness insurance.	
15	Sec. 3. As used in this chapter, "policy of accident and sickness	
16	insurance" has the meaning set forth in IC 27-8-5-1.	4
17	Sec. 4. As used in this chapter, "prospective purchaser" means	
18	an:	`
19	(1) individual who requests coverage under a policy of	
20	accident and sickness insurance that is issued on an individual	
21	basis; or	
22	(2) employer that:	
23	(A) employs not more than fifty (50) employees, a majority	
24	of whom were not offered coverage for health care services	
25	(as defined in IC 27-13-1-18) by:	
26	(i) the employer; or	
27	(ii) a parent, a subsidiary, or an affiliate of the employer;	
28	during the preceding calendar year; and	
29	(B) requests coverage for the employer's employees under	
30	a policy of accident and sickness insurance that is issued on	
31	a group basis.	
32	Sec. 5. Notwithstanding any other law, an insurer may offer to	
33	a prospective purchaser a policy of accident and sickness insurance	
34	without complying with all health benefit mandates if:	
35	(1) when the offer is made, the insurer provides a list of the	
36	health benefit mandates with which the offer does not comply;	
37	and	
38	(2) the policy offered includes the following:	
39	(A) Newborn coverage required under IC 27-8-5.6.	
40	(B) Diabetes related coverage required under IC 27-8-14.5.	
41	(C) If the prospective purchaser is described in section 4(2)	
42	of this chapter:	



1	(i) breast cancer screening related coverage required	
2	under IC 27-8-14;	
3	(ii) prostate cancer screening related coverage required	
4	under IC 27-8-14.7; and	
5	(iii) colorectal cancer screening related coverage	
6	required under IC 27-8-14.8.	
7	(D) Adopted child coverage required under IC 27-8-5-21.	
8	(E) Minimum maternity related benefits of examination	
9	and testing of the newborn child required under	
10	IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).	
11	Sec. 6. An insurer that offers to a prospective purchaser a policy	
12	of accident and sickness insurance described in section 5 of this	
13	chapter shall also offer to the prospective purchaser a policy of	
14	accident and sickness insurance in compliance with all health	
15	benefit mandates.	_
16	Sec. 7. An insurer that issues or delivers a policy of accident and	
17	sickness insurance described in section 5 of this chapter shall	
18	provide to an individual insured under the policy of accident and	
19	sickness insurance a written disclosure that:	
20	(1) acknowledges that the policy of accident and sickness	
21	insurance is not issued in compliance with all health benefit	
22	mandates; and	
23	(2) lists in summary form the health benefits:	
24	(A) to which a health benefit mandate applies; and	
25	(B) for which coverage is provided in the policy of accident	
26	and sickness insurance.	
27	SECTION 2. IC 27-13-1-17.6 IS ADDED TO THE INDIANA	
28	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS	V
29	[EFFECTIVE JULY 1, 2006]: Sec. 17.6. "Health benefit mandate"	
30	means any of the following requirements for coverage in, or an	
31	offering of coverage that must be made in connection with the	
32	purchase of, an individual contract or a group contract, to the	
33	extent that the coverage is not required under federal law:	
34	(1) Newborn coverage under IC 27-8-5.6.	
35	(2) Breast cancer screening related coverage under	
36	IC 27-13-7-15.3.	
37	(3) Morbid obesity related coverage under IC 27-13-7-14.5.	
38	(4) Pervasive developmental disability related coverage under	
39	IC 27-13-7-14.7.	
40	(5) Diabetes related coverage under IC 27-8-14.5.	
41	(6) Prostate cancer screening related coverage under	
42	IC 27-13-7-16.	



1	(7) Colorectal cancer screening related coverage under	
2	IC 27-13-7-17.	
3	(8) Off label drug treatment coverage under IC 27-8-20.	
4	(9) Minimum maternity related benefits under IC 27-8-24.	
5	(10) Inherited metabolic disease related coverage under	
6	IC 27-13-7-18.	
7	(11) Mastectomy related coverage under IC 27-13-7-14.	
8	(12) Mental illness related coverage under IC 27-13-7-14.8.	
9	(13) Dental anesthesia related coverage under IC 27-13-7-15.	
.0	(14) Adopted child coverage under IC 27-8-5-21.	
1	SECTION 3. IC 27-13-1-27.8 IS ADDED TO THE INDIANA	
2	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS	
3	[EFFECTIVE JULY 1, 2006]: Sec. 27.8. "Prospective purchaser"	
4	means an:	
.5	(1) individual who requests coverage under an individual	
6	contract; or	
7	(2) employer that:	
8	(A) employs not more than fifty (50) employees, a majority	
9	of whom were not offered coverage for health care services	
20	by:	
21	(i) the employer; or	=4
22	(ii) a parent, a subsidiary, or an affiliate of the employer;	
23	during the preceding calendar year; and	
24	(B) requests coverage for the employer's employees under	
25	a group contract.	
26	SECTION 4. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE	
27	AS A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE	
28	JULY 1, 2006]:	
29	Chapter 7.5. Health Benefit Mandate Option	
0	Sec. 1. Notwithstanding any other law, a health maintenance	
31	organization may offer to a prospective purchaser an individual	
32	contract or a group contract without complying with all health	
33	benefit mandates if:	
34	(1) when the offer is made, the health maintenance	
55	organization provides a list of the health benefit mandates	
66	with which the offer does not comply; and	
37	(2) the contract offered includes the following:	
8	(A) Newborn coverage that is substantially similar to the	
9	coverage required under IC 27-8-5.6.	
10	(B) Diabetes related coverage required under IC 27-8-14.5.	
1	(C) If the prospective purchaser is described in	
12	IC 27-13-1-27.8(2):	



(i) breast cancer screening related coverage required under IC 27-13-7-15,3;  (ii) prostate cancer screening related coverage required under IC 27-13-7-16; and  (iii) colorectal cancer screening related coverage required under IC 27-13-7-17.  (D) Adopted child coverage required under IC 27-8-5-21.  (E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).  Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.  Sec. 3. A health maintenance organization that enters into or delivers an individual contract or a group contract in section 1 of this chapter shall provide to an enrollee a written disclosure that:  (1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and  (2) lists in summary form the health benefits:  (A) to which a health benefit mandate applies; and  (B) for which coverage is provided in the individual contract or group contract or group contract.  SECTION 5. IC 27-17 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:  ARTICLE 17. HEALTH BENEFIT PURCHASING COOPERATIVES  Chapter 1. Definitions  Sec. 1. The definitions in this chapter apply throughout this article.  Sec. 2. "Board" refers to the board of directors elected by a cooperative.  Sec. 3. "Commissioner" refers to the insurance commissioner appointed under IC 27-1-1-2.  Sec. 4. "Covered individual" means an individual covered under a health benefit plan provided through a health benefit purchasing cooperative.  Sec. 5. (a) "Eligible employee" means an individual who works			
(ii) prostate cancer screening related coverage required under IC 27-13-7-16; and (iii) colorectal cancer screening related coverage required under IC 27-13-7-17. (D) Adopted child coverage required under IC 27-8-5-21. (E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).  Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.  Sec. 3. A health maintenance organization that enters into or delivers an individual contract or a group contract described in section 1 of this chapter shall provide to an enrollee a written disclosure that:  (1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and  (2) lists in summary form the health benefits:  (A) to which a health benefit mandate applies; and  (B) for which coverage is provided in the individual contract or group contract.  SECTION 5. IC 27-17 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:  ARTICLE 17. HEALTH BENEFIT PURCHASING COOPERATIVES  Chapter 1. Definitions  Sec. 1. The definitions in this chapter apply throughout this article.  Sec. 2. "Board" refers to the board of directors elected by a cooperative.  Sec. 3. "Commissioner" refers to the insurance commissioner appointed under IC 27-1-1-2.  Sec. 4. "Covered individual" means an individual covered under a health benefit plan provided through a health benefit purchasing cooperative.	1	(i) breast cancer screening related coverage required	
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cooperative.	9		
•	10	a health benefit plan provided through a health benefit purchasing	
Sec. 5. (a) "Eligible employee" means an individual who works	1	cooperative.	
	2	Sec. 5. (a) "Eligible employee" means an individual who works	



1	for a single employer at least thirty (30) hours per week.	
2	(b) The term includes:	
3	(1) a sole proprietor;	
4	(2) a partner; and	
5	(3) an independent contractor;	
6	if the individual is considered an employee under an employer	
7	health benefit plan.	
8	(c) The term does not include an employee who:	
9	(1) works on a part-time, temporary, seasonal, or substitute	
10	basis;	
11	(2) is covered under:	
12	(A) another health benefit plan; or	
13	(B) a self-funded or self-insured employee welfare benefit	
14	plan that provides health benefits and is established in	
15	accordance with the federal Employee Retirement Income	
16	Security Act of 1974 (29 U.S.C. 1001 et seq.); or	
17	(3) elects not to be covered under the employer's health	
18	benefit plan and is covered under:	
19	(A) the Medicaid program under IC 12-15;	
20	(B) another federal program, including Medicare (42	
21	U.S.C. 1395 et seq.); or	
22	(C) a health benefit plan established in another country.	
23	Sec. 6. "Employer health benefit plan" means a health benefit	
24	plan issued or delivered to cover the employees of an employer.	_
25	Sec. 7. (a) "Health benefit plan" means the following:	
26	(1) A group policy or a certificate of coverage under a group	
27	policy of accident and sickness insurance (as defined in	
28	IC 27-8-5-1).	V
29	(2) A health maintenance organization group contract (as	
30	defined in IC 27-13-1-16).	
31	(b) The term does not include the following:	
32	(1) Accident only insurance.	
33	(2) Credit only insurance.	
34	(3) Disability insurance or disability income insurance.	
35	(4) Medicare (42 U.S.C. 1395 et seq.), a Medicare supplement,	
36	or a Medicare select benefit plan regulated under federal law.	
37	(5) Long term care insurance, nursing home care insurance,	
38	home health care insurance, or community based care	
39	insurance.	
40	(6) Limited scope dental or vision insurance.	
41	(7) Workers' compensation insurance.	
42	(8) Coverage provided through a jointly managed trust	



1	authorized under 29 U.S.C. 141 et seq. that contains a plan of	
2	benefits for employees that is negotiated in a collective	
3	bargaining agreement governing wages, hours, and working	
4	conditions of employees that is authorized under 29 U.S.C.	
5	157.	
6	(9) Hospital indemnity or other fixed indemnity insurance.	
7	(10) Reinsurance contracts issued on a stop loss, quota share,	
8	or similar basis.	
9	(11) Short term major medical contracts.	
10	(12) Liability insurance, including general liability insurance	
11	and automobile liability insurance, and coverage issued as a	
12	supplement to liability insurance coverage, including	
13	automobile medical payment insurance.	
14	(13) Coverage for onsite medical clinics.	
15	(14) Coverage that provides other limited benefits specified by	
16	federal regulation.	
17	(15) Other coverage that:	
18	(A) is similar to the coverage described in this subsection	
19	under which benefits for medical care are secondary or	
20	incidental to other coverage benefits; and	
21	(B) is specified by federal regulations.	
22	Sec. 8. "Health benefit plan issuer" means an entity authorized	
23	under IC 27 to issue or deliver a health benefit plan in Indiana.	
24	Sec. 9. "Health status related factor" means:	_
25	(1) health status;	
26	(2) medical condition, including mental and physical	
27	condition;	
28	(3) claims experience;	V
29	(4) receipt of health care;	
30	(5) medical history;	
31	(6) genetic information;	
32	(7) evidence of insurability, including conditions arising out of	
33	acts of family violence; and	
34	(8) disability.	
35	Sec. 10. "Insurance producer" has the meaning set forth in	
36	IC 27-1-15.6-2.	
37	Sec. 11. (a) "Large employer" means a person, including a	
38	governmental entity, that:	
39 10	(1) employs at least two (2) eligible employees on the first day	
40 4.1	of the plan year; and (2) ampleyed an average of at least fifty one (51) eligible	
41 42	(2) employed an average of at least fifty-one (51) eligible	
t∠	employees on business days during the preceding calendar	



1	year.	
2	(b) For purposes of this section, a partnership is the employer	
3	of a partner.	
4	Sec. 12. "Large employer health benefit plan" means a health	
5	benefit plan offered to a large employer.	
6	Sec. 13. "Person" means an individual or a business entity.	
7	Sec. 14. "Premium" means amounts paid by an employer and	
8	eligible employees as a condition of receiving coverage from a	
9	health benefit plan issuer, including fees or other contributions	
0	associated with a health benefit plan.	
1	Sec. 15. "Private purchasing cooperative" means a group of two	
2	(2) or more employers that forms to purchase coverage under an	
3	employer health benefit plan.	
4	Sec. 16. (a) "Small employer" means a person, including a	
5	governmental entity, that:	
6	(1) employs at least two (2) eligible employees on the first day	4
7	of the plan year; and	
8	(2) employed an average of at least two (2) eligible employees	
9	and not more than fifty (50) eligible employees on business	
20	days during the preceding calendar year.	
21	(b) For purposes of this section, a partnership is the employer	
22	of a partner.	
23	Sec. 17. "Small employer health benefit plan" means a health	
24	benefit plan offered:	
25	(1) in compliance with IC 27-8-15; and	
26	(2) to a small employer.	
27	Chapter 2. Establishment of a Health Benefit Purchasing	1
28	Cooperative	
29	Sec. 1. Two (2) or more:	1
0	(1) small employers; or	
31	(2) large employers;	
32	may form a health benefit purchasing cooperative to purchase	
3	coverage under a small employer health benefit plan or a large	
34	employer health benefit plan. A small employer and a large	
35	employer may not participate in the same health benefit	
66	purchasing cooperative.	
37	Sec. 2. A health benefit purchasing cooperative established	
8	under section 1 of this chapter must be organized as a nonprofit	
9	corporation under IC 23-17.	
10	Sec. 3. Upon receipt from the secretary of state of notice that a	
1	health benefit purchasing cooperative's articles of incorporation	
-2	have been filed under IC 23-17-3, the health benefit purchasing	



1	cooperative shall file with the commissioner:	
2	(1) written notice of the receipt of the notice from the	
3	secretary of state; and	
4	(2) a copy of the health benefit purchasing cooperative's	
5	organizational documents.	
6	Sec. 4. A health benefit purchasing cooperative's board shall	
7	annually file with the commissioner a statement of amounts	
8	collected and expenses incurred by the health benefit purchasing	
9	cooperative for each of the three (3) preceding years.	
10	Chapter 3. Immunity	
11	Sec. 1. A health benefit purchasing cooperative or a member of	
12	the board, the executive director, or an employee or agent of a	
13	health benefit purchasing cooperative is not liable for:	
14	(1) an act performed in good faith in the execution of duties in	
15	connection with the health benefit purchasing cooperative; or	
16	(2) an independent action of a health benefit plan issuer or a	
17	person who provides health care services under a health	
18	benefit plan.	
19	Chapter 4. Functions of a Health Benefit Purchasing	
20	Cooperative	
21	Sec. 1. A health benefit purchasing cooperative shall:	
22	(1) arrange, by contracting with health benefit plan issuers	
23	that meet the requirements of IC 27-17-5, for:	
24	(A) small employer health benefit plan coverage for small	
25	employer groups; or	
26	(B) large employer health benefit plan coverage for large	
27	employer groups;	
28	that participate in the health benefit purchasing cooperative;	V
29	(2) collect premiums to cover the cost of:	
30	(A) health benefit plan coverage purchased through the	
31	health benefit purchasing cooperative; and	
32	(B) the health benefit purchasing cooperative's	
33	administrative expenses;	
34	(3) establish administrative and accounting procedures for the	
35	operation of the health benefit purchasing cooperative;	
36	(4) establish procedures under which an applicant for or	
37	participant in coverage issued through the health benefit	
38	purchasing cooperative may have a grievance reviewed by an	
39	impartial person;	
40	(5) contract with health benefit plan issuers to provide	
41	services to participating employers; and	
42	(6) develop and implement a plan to maintain public	



1	awareness of the health benefit purchasing cooperative and	
2	publicize the:	
3	(A) eligibility requirements for; and	
4	(B) procedures for enrollment in;	
5	coverage through the health benefit purchasing cooperative.	
6	Sec. 2. A health benefit purchasing cooperative may:	
7	(1) contract with a health benefit plan issuer or a third party	
8	administrator to provide administrative services to the health	
9	benefit purchasing cooperative;	
0	(2) negotiate premiums paid by a participating employer; and	
1	(3) obtain for participating employers ancillary products and	
2	services that are customarily offered in conjunction with a	
3	health benefit plan.	
4	Sec. 3. A health benefit purchasing cooperative may not limit,	
.5	restrict, or condition an employer's or employee's participation in	
6	a health benefit purchasing cooperative, or choice among health	
7	benefit plans, based on:	
8	(1) risk characteristics; or	
9	(2) health status related factors, duration of coverage, or a	
20	similar characteristic related to the health status or	
21	experience;	
22	of a group or a member of a group.	
23	Sec. 4. A health benefit purchasing cooperative may not	
24	self-insure or self-fund a health benefit plan or part of a health	
2.5	benefit plan.	
26	Sec. 5. A health benefit purchasing cooperative shall comply	
27	with federal and state laws that apply to:	
28	(1) the health benefit purchasing cooperative; and	V
29	(2) a health benefit plan issued through the health benefit	J
0	purchasing cooperative.	
31	Chapter 5. Health Benefit Plan Issuers	
32	Sec. 1. A health benefit purchasing cooperative may contract	
3	only with a health benefit plan issuer that desires to offer coverage	
4	through the health benefit purchasing cooperative and that	
55	demonstrates that the health benefit plan issuer:	
66	(1) is in good standing with the department of insurance;	
37	(2) has the capacity to administer a health benefit plan;	
8	(3) is able to monitor and evaluate the quality and	
9	cost-effectiveness of health care services and procedures;	
10	(4) is able to perform utilization management and establish	
1	utilization management policies and procedures;	
12	(5) is able to ensure that covered individuals have adequate	



1	access to health care providers, including adequate numbers	
2	and types of health care providers;	
3	(6) has a satisfactory grievance procedure and is able to	
4	respond to the calls, questions, and complaints of covered	
5	individuals; and	
6	(7) has financial capacity, either through:	
7	(A) satisfying financial solvency standards applied by the	
8	commissioner; or	
9	(B) appropriate reinsurance or other risk-sharing	
10	mechanisms.	
11	Sec. 2. A health benefit plan issuer:	
12	(1) may:	
13	(A) elect not to provide coverage for a health benefit	
14	purchasing cooperative;	
15	(B) provide coverage for one (1) or more health benefit	
16	purchasing cooperatives; and	
17	(C) select the health benefit purchasing cooperatives for	
18	which the health benefit plan issuer provides coverage; and	
19	(2) may not be a participating employer of a health benefit	
20	purchasing cooperative.	
21	Chapter 6. Status as Employer	
22	Sec. 1. (a) Except as provided in subsection (b), a health benefit	
23	purchasing cooperative is considered an employer solely for the	
24	purpose of benefit elections under this article.	
25	(b) A group of small employers that:	
26	(1) forms a health benefit purchasing cooperative;	
27	(2) employs a total of at least two (2) eligible employees on the	
28	first day of the plan year; and	T Y
29	(3) employed an average total of at least two (2) eligible	
30	employees and not more than fifty (50) eligible employees on	
31	business days during the preceding calendar year;	
32	is considered a single small employer for purposes of this article	
33	and IC 27-8-15.	
34	(c) A group of small employers that:	
35	(1) forms a health benefit purchasing cooperative;	
36	(2) employs at least two (2) eligible employees on the first day	
37	of the plan year; and	
38	(3) employed an average total of more than fifty (50) eligible	
39	employees on business days during the preceding calendar	
40	year;	
41	is considered a large employer for purposes of this article and	
42	IC 27-8-15.	



1	Chapter 7. Miscellaneous	
2	Sec. 1. IC 27-8-5-16 does not limit the type of group that may be	
3	covered by a health benefit plan issued through a health benefit	
4	purchasing cooperative.	
5	Sec. 2. (a) An employer's participation in a health benefit	
6	purchasing cooperative is voluntary.	
7	(b) Except as provided in the rules adopted under subsection (c),	
8	an employer that participates in a health benefit purchasing	
9	cooperative shall purchase health benefit plan coverage through	
10	the health benefit purchasing cooperative for at least two (2) years.	
11	(c) The commissioner shall adopt rules under IC 4-22-2 to	
12	provide for a participating employer's termination of participation	
13	in a health benefit purchasing cooperative if the participating	
14	employer experiences a financial hardship.	
15	Sec. 3. An insurance producer or third party administrator that	
16	provides services to and is compensated by a health benefit	
17	purchasing cooperative must be licensed as required under IC 27.	
18	SECTION 6. [EFFECTIVE JULY 1, 2006] (a) As used in this	
19	SECTION, "department" refers to the department of insurance	
20	created by IC 27-1-1-1.	
21	(b) An insurer that issues or delivers a policy of accident and	
22	sickness insurance described in IC 27-8-13.5-5, as added by this	
23	act, and a health maintenance organization that enters into or	
24	delivers a contract described in IC 27-13-7.5-1, as added by this	
25	act, shall report the following information to the department not	
26	later than November 15, 2007:	
27	(1) The number of policies described in this subsection that	•
28	are issued or delivered by the insurer and the number of	
29	individuals covered under each policy.	
30	(2) The number of contracts described in this subsection that	
31	are entered into or delivered by the health maintenance	
32	organization and the number of individuals covered under	
33	each contract.	
34	(3) The premium charged for each policy or contract	
35	described in this subsection.	
36	(4) The difference between:	
37	(A) the premium charged for each policy or contract	
38	described in this subsection; and	
39	(B) the premium that would be charged for any other	
40	policy or contract offered by the insurer or health	
41	maintenance organization to a prospective purchaser that	
42	purchased a policy or contract described in this subsection.	



1	(c) Not later than December 1, 2007, the department shall	
2	compile the information reported to the department under	
3	subsection (b) and report the information to the legislative council	
4	in an electronic format under IC 5-14-6. The department:	
5	(1) shall include in the report information concerning the	
6	number of uninsured individuals in Indiana; and	
7	(2) may include any other information in the report that the	
8	department determines is relevant.	
9	(d) This SECTION expires December 31, 2007.	
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